IN THE

Supreme Court of the United States

HARVEY S. COVER,
Petitioner,

vs.

CHICAGO EYE SHIELD COMPANY, an Illinois corporation,
Respondent.

No. 184

PETITION FOR REHEARING IN BEHALF OF HARVEY S. COVER.

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On October 11, 1943, this Honorable Court denied a Petition for Writ of Certiorari.

Because the error below and the importance of the case seem so clear, Petitioner makes the following Petition for Rehearing:

The question involved in this case is a pure question of law, to-wit: whether an offer of judgment not made until more than 14 months *after* the beginning of the trial of validity, infringement and right to an accounting and an injunction, in a patent case, is valid under Rule 68 of the "Federal Rules of Civil Procedure".

There is no dispute about the facts. The trial on the issues of validity and infringement, the right to an accounting and a permanent injunction began on June 5, 1939. The offer of judgment was not made until August 20, 1940 (more than 14 months after the foregoing issues had been decided and after affirmance by the Circuit Court of Appeal), although more than ten days before the hearing on the accounting.

It was Petitioner's contention that the offer of judgment was not made more than ten days before the trial began, since it was made more than fourteen months after the beginning of the trial of validity and infringement and the right to an accounting and an injunction.

Respondent contended that the offer of judgment was, nevertheless, made in time, because it was made more than ten days before the beginning of the hearing on the accounting, and that said hearing was a "separate" trial. The District Court agreed with Respondent and held that the offer of judgment was in time and that the Respondent was entitled to costs "solely because of defendant's offer of judgment."

The Circuit Court of Appeals affirmed the District Court. The Circuit Court of Appeals, in fact, held that it was impossible to make an offer of judgment before the trial of the issues of validity and infringement because validity of a patent was never to be adjudged on stipulation.

Rule 68 is as follows:

> "At any time more than 10 days *before* the trial begins, a party defending against a claim may serve upon the adverse party an offer to allow judgment to be taken against him for the money or property or to the

effect specified in his offer, with costs then accrued. If within 10 days after the service of the offer the adverse party serves written notice that the offer is accepted, either party may then file the offer and notice of acceptance together with proof of service thereof and thereupon the clerk shall enter judgment. If the offer is not so accepted it shall be deemed withdrawn and evidence thereof is not admissible. If the adverse party fails to obtain a judgment more favorable than that offered, he shall not recover costs in the district court from the time of the offer but shall pay costs from that time."

Thus, the simple question involved here is whether a defendant in a patent suit has a choice to make his offer of judgment *before* the hearing on validity, etc., or *after* said hearing. In other words, may such a defendant delay his offer of judgment for more than fourteen months after the trial of validity, etc. begins?

The ruling below appears in *direct conflict* with the wording of the rule itself.

The ruling is also in *direct conflict* with a long line of decisions in this court in the Removal cases, construing identical language with the exception of the "ten days".

The ruling below is, also, in *conflict* with ruling in states having similar rules, as pointed out in our original brief.

The importance of the question was conceded by Respondent in its brief below:

"* * * The first question raised on this appeal is new. Prior to this case Rule 68 has never been interpreted in relation to an offer of judgment made more than ten days prior to the hearing of a patent accounting. While the amount involved in this case is small,

> the question of law involved is of considerable importance in connection with patent litigation" (D. Brief below, p. 6).

The Circuit Court of Appeals, also, remarked in its decision:

> " * * * It is a question of first impression in this court, and we are unable to find a case in any other court where it has been presented."

We most respectfully submit that there are at least two outstanding reasons why this Court should review the judgment below:

(1) If the judgment below is allowed to stand, the consequence will be that every defendant in a patent suit will defer his offer of judgment until after the hearing of validity, infringement, the right to an accounting and injunction, and will thereby defeat the object of the "Federal Rules of Civil Procedure", to-wit: "the just, speedy and inexpensive determination of every action." Rule 1.

On the other hand, if an offer of judgment, like any other offer of compromise, is required to be made in advance of the hearing on validity and infringement, the object of the rules will be promoted.

We submit that this proposition is beyond challenge.

(2) Rule 68 makes no exceptions in respect of patent cases and on its face, applies to every case.

The courts below, in holding that an offer of judgment cannot be made before the trial of the question of validity (because validity cannot be adjudged on stipulation), but

may be made thereafter, are thereby carving out an exception to Rule 68, for which there is no authority.

We respectfully submit that the judgment below is a clear repudiation of Rule 68.

It seems self-evident that there can be only one claim in a patent case on a single patent, and only one trial, and that there is no such thing as a claim for an injunction and a separate claim for an accounting. These are all part of the relief involved in one single claim.

The judgment below is bottomed entirely on one single question to-wit: whether the offer of judgment "was made more than 10 days before the beginning of the trial." If the offer was not so made, the judgment below must be automatically reversed, since it has been adjudged below that Respondent prevailed "solely because of respondent's offer of judgment."

We realize that the denial of certiorari is not an affirmance of the judgment below. However, we do not think that the judgment below, which seems so erroneous on so important a question, should be allowed to stand as a precedent.

We submit that it should be self-evident that an accounting is only an incident of the relief, and that the hearing on an incident of the relief cannot be a separate trial from the trial of the principal issues of validity and infringement, etc. We submit that they are both parts of one single trial.

Conclusion.

We respectfully submit that the Court below has decided an important question of federal law, which has not been, but should be, settled by this Court, and that the Court below has decided a federal question in a way in conflict with analagous applicable decisions of this Court and in conflict with decisions of the courts of the states having similar rules, or statutes, from which Rule 68 was adopted.

Both parties agree that the question is of public importance and the Circuit Court of Appeals stated that it was unable to find a case in any other court where it had been presented.

Most respectfully submitted,

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Certificate.

This petition is, in our judgment, well founded, and is not interposed for purpose of delay.

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